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Appropriations Committee
Testimony of
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Regarding: Proposed Budget 2012

My name is John Quinn and I am the President /CEO of the Visiting Nurse Association of South Central Connecticut.

I am thankful for the opportunity to submit written testimony regarding the Honorable Governor Dannel Malloy's State Budget Proposal for 2012. I would like to like to address the precarious slope that is growing in the non profit home health care arena. Savings in health care are touted by verbal support of the concept that home health care is the future, not only for cost savings, but to maintain the dignity and independence of our seniors by providing skilled nursing and support services to keep an individual in their own home. You probably have seen the cost savings, but I'll repeat the key figures here:

1 day of home health care services	=	$132
1 day in skilled nursing facility	=	$544
1 day in acute care hospital	=	$5,765

However, these savings will not be realized if the state unfunded mandates and budget decisions further reduce the visibility of a mission driven organization like the VNA to continue to provide the "safety net" supported by the Governor.

As to unfunded mandates, I mean specifically a program administered by DSS that aims at fraud prevention called "Third Party Liability" (TPL). This involves Medicaid seeking retrospectively to have Medicare pay for home health services. While the rationale for TPL is plausible as Medicaid being the payer of last resort, the process is burdensome and costly to the provider ($100,000 in 2010 for our agency alone). It can also leave the provider having provided the services in good faith and then the dollars being recouped months afterward. The cost savings to the state must also reflect the expenses of this project which include DSS staffing, legal fees and agencies that DSS subcontracts with for managing some access cases and CMA that generates its budget success by DSS success. Add to this mix the providers statewide and well over a million dollars in unbudgeted and unfunded are spent complying with a process that quite simply should be done between Medicare and Medicaid at time of admittance of the patient. We would welcome a seat at the Governor's and Legislative table to change the process as a team to prevent fraud without an unfair and unfunded mandate on the non profit provider. If the process continues unchanged, coupled with a recently implemented 5% cut in Medicare rates and another similar cut projected for 2012, the non profits will no longer financially be able to be the "safety net" and provide Medicaid services in the near future.

Medicaid rates have not been increased since 2007 and with the 5% Medicare cuts previously mentioned, there will no longer be any margin that can subsidize poor Medicaid reimbursement at below the cost of doing business. A "non profit" is not synonymous with "deficit spending".

We are a mission driven home health business that must balance its books just like the State is attempting to do. An add on to our Medicaid rates to reflect the true cost of service and fund unfunded mandates like TPL is the only practical way to prevent the safety net from dismantling. Believe me, you won't find for profits

2

in home health care coming forth to take the Medicaid patients at a significant loss.

As a former legislators myself, I feel your pain, but you need to feel ours and understand that we want to be there for the poorest of the poor and the "un and under insured" but we need to be compensated for the true cost of services. Our nurses, certified aides, home health aides, physical and occupational therapists and our social workers are dedicated to our patients and will continue to provide quality home health services as long as financially feasible as we have for the past 107 years.

Thank you for your positive consideration and best wishes in your deliberations.